



State of Louisiana
Division of Administration
Office of State Uniform Payroll

July 21, 2009

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2010-04

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard
Director

SUBJECT: New Retirement Incentive Wage Type (WT0203)

In accordance with provisions of [Civil Service Rule 17.9](#), wage type 0203, Retirement Incentive, has been added in the ISIS HR system with an effective date of 6/29/09. Agencies should enter wage type 0203 on Infotype 15 when a one-time, lump-sum "retirement incentive" payment is to be paid to an eligible employee as part of an approved layoff avoidance measure plan. Agencies should be aware of the following:

- In the ISIS HR system, federal and state tax withholding for the retirement incentive payment will be calculated just as taxes on regular wages are currently handled by using the federal and state tax withholding tables in effect for that period.
- Employees may change their tax shelter deductions so that all or part of the incentive payment is remitted to LA Deferred Compensation or an eligible 403(b) plan, up to the allowable limits, to reduce tax consequences. Employees should be advised to consult with their tax advisor and to contact LA Deferred Compensation or the appropriate 403(b) vendor to change the deduction amount prior to receiving the incentive payment.
- No retirement contributions will be withheld from the retirement incentive payment. Questions regarding retirement eligibility should be directed to the appropriate retirement system.
- It is recommended that agencies utilize the "maintain text" feature on Infotype 15 to document information pertaining to the payment.
- Payments will post in AFS to newly created object codes 2125-Salaries-Class-RIP or 2155-Salaries-Unclass-RIP, as appropriate.
- If an employee has an active garnishment in ISIS HR, a significant amount of the retirement incentive payment may be subjected to withholding for payment of the garnishment depending on the garnishment type, priority, etc. Agencies can review information on Infotype 194, Garnishment Overview, to determine if an active garnishment exists on the employee's records. In some situations, agreements can be reached with the garnishment plaintiffs allowing the employee to receive the retirement incentive payment without applying a large portion of the payment to the garnishment. Employees should contact a member of the OSUP Garnishment

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Administration Unit at (225) 342-5332 or _doa-osup-garn@la.gov for assistance with garnishment withholding arrangements and/or other garnishment questions and issues.

For questions regarding provisions and application of the retirement incentive, refer to the appropriate section of the Civil Service HR Handbook or contact your agency's Civil Service Assistance Team Coordinator. Direct ISIS HR entry questions to the Help Desk via [ISIS HR web ticket](#).

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